

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

SEAN PARNELL, GOVERNOR

550 WEST 7TH AVENUE, SUITE 800
ANCHORAGE, ALASKA 99501-3560

PHONE: (907) 269-8800

FAX: (907) 269-8938

July 1, 2011

Assignor:

Marathon Alaska Production LLC

Attn: Asset Manager

P.O. Box 196168

Anchorage, AK 99519-6168

Assignee:

Cook Inlet Natural Gas Storage Alaska, LLC

Attn: G. Nanette Thompson

P.O. Box 190989

Anchorage, Alaska 99519-0989

DECISION

Assignment Applications Approved for ADL 2397, 324602, 359153 and 365454
Leases are Segregated, Conformed to Survey and Amended for Legal Description
Segregated Acreages Assigned ADL 391790, 391791, 391792 and 391793

On May 31, 2011, the Department of Natural Resources, Division of Oil and Gas (Division) received Marathon Alaska Production LLC's (Marathon) assignment applications transferring 100 percent working interest from Marathon to Cook Inlet Natural Gas Storage Alaska, LLC (CINGSA) for the Cannery Loop Sterling C Pool horizon in above referenced oil and gas leases. In the May letter, Marathon stated "This action is in advance of formal closing date of August 1, 2011, between Marathon and CINGSA regarding the CINGSA Storage Project within the Cannery Loop Unit" and requested the assignment effective date to be August 1, 2011. The request is made as part of the approvals necessary for the gas storage project to proceed as planned.

After review of the Cannery Loop Unit Agreement, unit plan of development, the gas storage lease, and storage plan of operations, and on the facts and issues, comments received, applicable laws and regulations, approving the assignment of interest in oil and gas leases ADL 2397, ADL 324602, ADL 359153, and ADL 365454 will best serve the interests of the State of Alaska.

These assignment approvals are for the working interest only and do not constitute approval or acceptance of any stipulations or attachments to the assignment instruction. One original copy of the assignment has been placed in the leases case file, and one original certified copy has been returned to both the assignor and the assignee.

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

The assignor of interest in the lease listed above remains responsible for all lease obligations accruing before the approval of the assignment including dismantlement of facilities, equipment, and to rehabilitation of state land under all applicable laws, agreements, and lease terms and 11 AAC 82.605(b).

Effective August 1, 2011, the leases will be segregated as to the legal description of the Cannery Loop Sterling C Pool horizon being assigned to CINGSA and will be segmented into three segments: Segment 1, Segment 2, and Segment A. Because the Cannery Loop Sterling C Gas Pool horizon is a producing geologic horizon, acreage severance from Marathon's oil and gas leases and ownership transfer to CINGSA requires new oil and gas leases for the horizon's legal description being assigned. The segregated acreages are assigned ADL 391790, 391791, 391792, and 391793 with CINGSA having 100% working interest ownership for Segment A. These new leases retain the same terms and conditions as the original lease.

Prior to this assignment approval, all parties (Marathon, CINGSA and the Division) agreed to conform to survey the above referenced leases ensuring accurate lease acreage being retained by Marathon and transferred to CINGSA. The assignments create a divided interest with ownership transfer in a distinct geological horizon which necessitates the segregation of the Cannery Loop Sterling C Pool horizon.

Attachments to this decision provide the lease segregation and legal descriptions for your oil and gas lease records.

A person affected by this decision may request reconsideration, in accordance with 11 AAC 02. Any reconsideration request must be received by July 21, 2011, 4:30 p.m., Alaska time, (as defined in 11 AAC

02.040(c) and (d)), and may be mailed or delivered to:

Daniel S. Sullivan, Commissioner

Alaska Department of Natural Resources

550 W. 7th Ave., Suite 1400

Anchorage Alaska 99501

faxed to 1-907-269-8918

or sent by electronic mail to dnr.appeals@alaska.gov

If reconsideration is not requested by the deadline, this decision becomes a final administrative order and decision of the department on August 1, 2011. Failure of the commissioner to act on a request for reconsideration within 30 days after issuance of this decision is a denial of reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. The decision may then be appealed to Superior Court within a further 30 days in accordance with the rules of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.



W. C. Barron, Director
Division of Oil and Gas

July 1, 2011

Date



Daniel S. Sullivan, Commissioner
Department of Natural Resources

July 1, 2011

Date

Enclosures

ATTACHEMENT 1

Prior to this assignment approval, all parties (Marathon, CINGSA and the Division) agreed to conform to survey the above referenced leases ensuring accurate lease acreage being retained by Marathon and transferred to CINGSA. The assignments create a divided interest with ownership transfer in a distinct geological horizon which necessitates the segregation of the Cannery Loop Sterling C Pool horizon.

Marathon Lease ADL 324602

Effective August 1, 2011, ADL 324602 is segregated and now has three segments with Marathon having 100 percent working interest in each segment. The following segment legal descriptions are conformed to survey using the meander line for the Kenai River for the USRS, approved on March 12, 1923, and describe the lease legal description and acreage.

ADL 324602

Segment 1

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 5: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **outside** the S2SE4, S2N2SE4, E2SE4SW4, SE4NE4SW4, S2N2NE4SE4, S2NE4NW4SE4 and covering all subsurface horizons, 106.63 acres;

Section 8: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **outside** the S2, NE4, S2NW4, NE4NE4NW4, S2NE4NW4, SE4NW4NW4 and covering all subsurface horizons, 7.26 acres;

Segment 2

Section 5: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2SE4, S2N2SE4, E2SE4SW4, SE4NE4SW4, S2N2NE4SE4, S2NE4NW4SE4, from the surface to the measured depth of 6,690 feet (4,871 feet true vertical depth subsea (TVDSS) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 134.75 acres, lying above the Cannery Loop Sterling C Pool;

Section 8: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2, NE4, S2NW4, NE4NE4NW4, S2NE4NW4, SE4NW4NW4, from the surface to the measured depth of 6,690 feet (4,871 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 176.67 acres, lying above the Cannery Loop Sterling C Pool;

Segment A

Section 5: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2SE4, S2N2SE4, E2SE4SW4, SE4NE4SW4, S2N2NE4SE4, S2NE4NW4SE4, below the measured depth of 6,945 feet MD (5,101 feet true vertical depth subsea [TVDSS]) in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 134.75 acres, lying below the Cannery Loop Sterling C Pool;

Section 8: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2, NE4, S2NW4, NE4NE4NW4, S2NE4NW4, SE4NW4NW4, below the measured depth of 6,945 feet (5,101 feet true vertical depth subsea (TVDSS) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 176.67 acres, lying below the Cannery Loop Sterling C Pool.

ADL 324602 contains 425.31 acres, more or less.

ADL 324602 remains unitized in the Cannery Loop Unit and is extended beyond its primary term. There are 425.31 acres that are in rental status with an amount of \$1,278.00 due on or before July 1, 2011.

CINGSA Lease ADL 391790

The segregated acreage transferred to CINGSA from ADL 324602 is assigned oil and gas lease ADL 391790 and is described as follows:

Segment A

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 5: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2SE4, S2N2SE4, E2SE4SW4, SE4NE4SW4, S2N2NE4SE4, S2NE4NW4SE4, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6,690 feet measured depth [MD] (4,871 feet true vertical depth subsea [TVDSS]) and 6,945 feet measured depth [MD] (5,101 feet true vertical depth subsea [TVDSS]), 134.75 acres;

Section 8: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any

other survey of tidelands property, lying **within** the S2, NE4, S2NW4, NE4NE4NW4, S2NE4NW4, SE4NW4NW4, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6,690 feet measured depth [MD] (4,871 feet true vertical depth subsea [TVDSS]) and 6,945 feet measured depth [MD] (5,101 feet true vertical depth subsea [TVDSS]), 176.67 acres.

ADL 391790 contains 311.42 acres, more or less.

ADL 391790 retains the same term and conditions as ADL 324602. There are 311.42 acres in rental status with an amount of \$936.00 due on or before December 1, 2011.

ATTACHMENT 2

Prior to this assignment approval, all parties (Marathon, CINGSA and the Division) agreed to conform to survey the above referenced leases ensuring accurate lease acreage being retained by Marathon and transferred to CINGSA. The assignments create a divided interest with ownership transfer in a distinct geological horizon which necessitates the segregation of the Cannery Loop Sterling C Pool horizon.

Marathon Lease ADL 365454

Effective August 1, 2011, ADL 365454 is segregated and now has three segments with Marathon having 100 percent working interest in each segment. The following segment legal descriptions are conformed to survey using the meander line for the Kenai River for the USRS, approved on March 12, 1923, and describe the lease legal description and acreage.

ADL 365454

Segment 1

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, those portions of Lot 10 lying **outside** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, and covering all subsurface horizons, 3.74 acres;

Section 5: U. S. Survey 4969, and covering all subsurface horizons, 1.54 acres

T. 6 N. R. 11 W., Seward Meridian, Alaska;

Section 32: U. S. Survey 4969, and covering all subsurface horizons, 9.75 acres;

Segment 2

T. 5 N. R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, that portion of Lot 10 lying **within** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4 from the surface to the measured depth of 6,690 feet (4,871 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 7.76 acres, lying above the Cannery Loop Sterling C Pool;

Segment A

Section 4: Surveyed, that portion of Lot 10 lying **within** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, below the measured depth of 6,945 feet (5,101 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 7.76 acres, lying below the Cannery Loop Sterling C Pool.

ADL 365454 contains 22.79 acres, more or less.

ADL 365454 remains unitized in the Cannery Loop Unit and is extended beyond its primary term. There are 22.79 acres that are in rental status with an amount of \$69.00 due on or before May 1, 2012.

CINGSA Lease 391791

The segregated acreage transferred to CINGSA from ADL 365454 is assigned oil and gas lease ADL 391791 and is described as follows:

Segment A

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, that portion of Lot 10 lying **within** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6,690 feet measured depth [MD] (4,871 feet true vertical depth subsea [TVDSS]) and 6,945 feet measured depth [MD] (5,101 feet true vertical depth subsea [TVDSS]), 7.76 acres.

ADL 391791 contains 7.76 acres, more or less.

ADL 391791 retains the same term and conditions as ADL 365454. There are 7.76 acres in rental status with an amount of \$24.00 due on or before May 1, 2012.

ATTACHEMENT 3

Prior to this assignment approval, all parties (Marathon, CINGSA and the Division) agreed to conform to survey the above referenced leases ensuring accurate lease acreage being retained by Marathon and transferred to CINGSA. The assignments create a divided interest with ownership transfer in a distinct geological horizon which necessitates the segregation of the Cannery Loop Sterling C Pool horizon.

Marathon Lease ADL 359153

Effective August 1, 2011, ADL 359153 is segregated and now has three segments with Marathon having 100 percent working interest in each segment. The following segment legal descriptions are conformed to survey using the meander line for the Kenai River for the USRS, approved on March 12, 1923, and describe the lease legal description and acreage.

Segment 1

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tideland Survey, or any other survey of tidelands property, but excluding Lot 2, U.S. Survey 4563, lying **outside** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, and covering all subsurface horizons, .88 acres;

Section 9: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **outside** the W2NW4, W2E2NW4, N2NW4SW4, SW4NW4SW4, NW4SW4SW4, and covering all subsurface horizons, 6.35 acres;

Segment 2

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tideland Survey, or any other survey of tidelands property, but excluding Lot 2, U.S. Survey 4563, lying **within** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, from the surface to the measured depth of 6,690 feet (4,871 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 61.84 acres, lying above the Cannery Loop Sterling C Pool;

Section 9: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **within** the W2NW4, W2E2NW4, N2NW4SW4, SW4NW4SW4, NW4SW4SW4, from the surface to the measured depth of 6,690 feet (4,871 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log"

Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 98.88 acres, lying above the Cannery Loop Sterling C Pool;

Segment A

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tideland Survey, or any other survey of tidelands property, but excluding Lot 2, U.S. Survey 4563, lying **within** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, below the measured depth of 6,945 feet (5,101 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 61.84 acres, lying below the Cannery Loop Sterling C Pool;

Section 9: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **within** the W2NW4, W2E2NW4, N2NW4SW4, SW4NW4SW4, NW4SW4SW4, below the measured depth of 6,945 feet (5,101 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 98.88 acres, lying below the Cannery Loop Sterling C Pool.

ADL 359153 contains 167.95 acres, more or less.

ADL 359153 remains unitized in the Cannery Loop Unit and is extended beyond its primary term. There are 167.95 acres that are in rental status with an amount of \$504.00 due on or before December 1, 2011, unless royalty on production from the lease is sufficient to off-set the minimum amount due.

CINGSA, LLC Lease 391792

The segregated acreage transferred to CINGSA from ADL 359153 is assigned oil and gas lease ADL 391792 and is described as follows:

Segment A

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 4: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tideland Survey, or any other survey of tidelands property, but excluding Lot 2, U.S. Survey 4563, lying **within** the SW4SW4, W2SE4SW4, S2NW4SW4, S2N2NW4SW4, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and

the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6,690 feet measured depth [MD] (4,871 feet true vertical depth subsea [TVDSS]) and 6,945 feet measure depth [MD] (5,101 feet true vertical depth subsea [TVDSS]), 61.84 acres;

Section 9: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **within** the W2NW4, W2E2NW4, N2NW4SW4, SW4NW4SW4, NW4SW4SW4, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6,690 feet measured depth [MD] (4,871 feet true vertical depth subsea [TVDSS]) and 6,945 feet measured depth [MD] (5,101 feet true vertical depth subsea [TVDSS]), 98.88 acres.

ADL 391792 contains 160.72 acres, more or less.

ADL 391792 retains the same term and conditions as ADL 359153. There are 160.72 acres in rental status with an amount of \$483.00 due on or before December 1, 2011.

ATTACHMENT 4

Prior to this assignment approval, all parties (Marathon, CINGSA and the Division) agreed to conform to survey the above referenced leases ensuring accurate lease acreage being retained by Marathon and transferred to CINGSA. The assignments create a divided interest with ownership transfer in a distinct geological horizon which necessitates the segregation of the Cannery Loop Sterling C Pool horizon.

Marathon Lease ADL 2397

Effective August 1, 2011, ADL 2397 is segregated and now has three segments with Marathon having 100 percent working interest in each segment. The following segment legal descriptions are conformed to survey using the meander line for the Kenai River for the USRS, approved on March 12, 1923, and describe the lease legal description and acreage.

Segment 1

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 17: Surveyed, that portion of the bed of the Kenai River, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **outside** the N2NW4, NW4NE4, W2NE4NE4, N2NW4SW4NW4, NE4SW4NW4, N2SE4NW4, N2SW4NE4, NW4SE4NE4, and covering all subsurface horizons, 86.10 acres;

Segment 2

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 17: Surveyed, that portion of the bed of the Kenai River, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the N2NW4, NW4NE4, W2NE4NE4, N2NW4SW4NW4, NE4SW4NW4, N2SE4NW4, N2SW4NE4, NW4SE4NE4 from the surface to the measured depth of 6,690 feet (4,871 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 47.73 acres, lying above the Cannery Loop Sterling C Pool;

Segment A

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 17: Surveyed, that portion of the bed of the Kenai River, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the N2NW4, NW4NE4, W2NE4NE4, N2NW4SW4NW4, NE4SW4NW4, N2SE4NW4, N2SW4NE4, NW4SE4NE4 below the measured depth of 6,945 feet (5,101 feet true vertical depth subsea [TVDSS]) vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API# 50-133-20534-00), 47.73 acres, lying below the Cannery Loop Sterling C Pool.

ADL 2397 contains 133.83 acres, more or less.

ADL 2397 remains unitized in the Cannery Loop Unit and is extended beyond its primary term. There are 133.83 acres that are in minimum royalty status with an amount of \$134.00 due on or before November 1, 2011, unless royalty on production from the lease is sufficient to off-set the minimum amount due.

CINGSA, LLC Lease 391793

The segregated acreage transferred to CINGSA from ADL 2397 is assigned oil and gas lease ADL 391793 and is described as follows:

Segment A

T. 5 N., R. 11 W., Seward Meridian, Alaska

Section 17: Surveyed, that portion of the bed of the Kenai River, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** N2NW, NWNE, W2NENE, N2NWSWNW, NESWNW, N2SENE, N2SWNE, NWSENE, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6,690 feet measured depth [MD] (4,871 feet true vertical depth subsea [TVDSS]) and 6,945 feet measured depth [MD] (5,101 feet true vertical depth subsea [TVDSS]), 47.73 acres.

ADL 391793 contains 47.73 acres, more or less.

ADL 391793 retains the same term and conditions of ADL 2397. There are 47.73 acres in minimum royalty status with an amount of \$48.00 due on or before November 1, 2011, unless royalty on production from the lease is sufficient to off-set the minimum amount due.

APPLICATION FOR ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

DNR USE ONLY

Unit: _____

PA: _____

Acct code: _____

1. Lease ADL #2397
2. Assignor: Marathon Alaska Production LLC
3. Assignor's address: P. O. Box 196168, Anchorage, AK 99519-6168
4. Assignee: Cook Inlet Natural Gas Storage Alaska, LLC
5. Assignee's address: P.O. Box 190989, Anchorage, AK 99519-0989
6. Assignor's current ownership: 100.00 percent working interest OR
0.00 percent overriding royalty interest
7. Amount to be assigned: 100.00 percent working interest OR
0.00 percent overriding royalty interest
8. Assignor is retaining: 0.00 percent working interest AND/OR
0.00 percent overriding royalty interest
9. **LANDS AFFECTED** by this assignment of interest (attach Exhibit A if necessary)
T 5N, R 11W, Seward Meridian

Section 17: Surveyed, that portion of the bed of the Kenai River, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** N2NW, NWNE, W2NENE, N2NWSWNW, NESWNW, N2SENE, N2SWNE, NWSENE, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6690 feet measured depth [MD] (4871 feet true vertical depth subsea [TVDSS]) and 6945 feet measured depth [MD] (5101 feet true vertical depth subsea [TVDSS]), 47.73 acres.

containing 47.73 acres, more or less.

The Notification Lessee for the purpose of receiving any and all notices from the State of Alaska in connection with the lease will be:

Name Cook Inlet Natural Gas Storage Alaska, LLC
Attn G. Nanette Thompson, Deputy General Counsel
Address P.O. Box 190989
City, State, Zip Anchorage, AK 99519-0989 Telephone (907) 334-7662

We, the undersigned, affirm (1) that the information provided on this application is true and correct and that it is filed pursuant to 11 AAC 82.605 and 11 AAC 82.615, and (2) that both parties to this agreement are qualified to transfer or hold an interest in oil and gas leases pursuant to 11 AAC 82.200 and 11 AAC 82.205. Regardless of whether this assignment is approved in whole or in part, the assignee agrees to be bound by the lease including the obligation to dismantle facilities, remove equipment, and restore the lease premises as required by law or agreement (hereinafter DR&R), and the assignor agrees that it remains responsible for all lease and unit obligations accruing before the approval of the assignment, including DR&R.

STATE OF ALASKA, DEPT. OF NATURAL
RESOURCES, DIVISION OF OIL & GAS.
THIS IS TO CERTIFY THAT THE
FOREGOING IS A FULL, TRUE AND
CORRECT COPY OF THE ORIGINAL AS
THE SAME APPEARS IN THE FILES OF MY
OFFICE.

ASSIGNOR:

SIGNED C. A. Lockhart
TITLE APR
DATE 6/16/11

Carri A. Lockhart, President
Name & Title (Print or Type)

5-27-11
Date

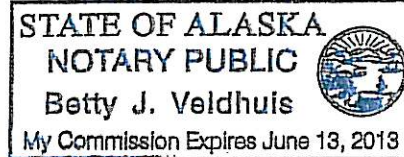
Marathon Alaska Production LLC
Corporation/Company Name

UNITED STATES OF AMERICA)
STATE OF Alaska)SS.

DOG Qualification File # 2363

THIS CERTIFIES that on the 27th day of May, 2011, before me appeared
Carri A. Lockhart, known to me to be the person(s) named as assignor(s) or the
assignor's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Betty J. Veldhuis
Notary Public
My Commission expires: June 13, 2013



ASSIGNEE:

M. Colleen Starring
Authorized Signature

May 31, 2011
Date

M. Colleen Starring, Vice President, CINGSA
Name & Title (Print or Type)

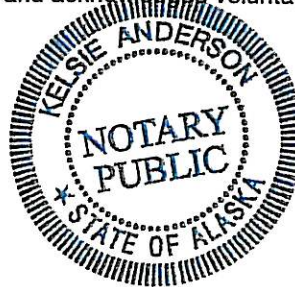
Cook Inlet Natural Gas Storage Alaska, LLC
Corporation/Company Name

UNITED STATES OF AMERICA)
STATE OF Alaska)SS.

DOG Qualification File # 2386

THIS CERTIFIES that on the 31st day of May, 2011, before me appeared
M. Colleen Starring, known to me to be the person(s) named as assignee(s) or
the assignee's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Kelsie Anderson
Notary Public
My Commission expires: 4/26/14



APPROVAL

W.C. Barron
W.C. Barron, Director
Division of Oil and Gas, DNR, State of Alaska

August 1, 2011
Effective Date of Assignment

Recorder's Office (optional)

Recording District
After recording, please return to:
Marathon Alaska Production LLC
P. O. Box 196168
Anchorage, AK 99519-6168

Original lease recorded? ☐ Yes ☐ No
Prior document reference:

APPLICATION FOR ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

DNR USE ONLY

Unit: _____

PA: _____

Acct code: _____

1. Lease ADL # 365454
2. Assignor: Marathon Alaska Production LLC
3. Assignor's address: P. O. Box 196168, Anchorage, AK 99519-6168
4. Assignee: Cook Inlet Natural Gas Storage Alaska, LLC
5. Assignee's address: P.O. Box 190989, Anchorage, AK 99519-0989
6. Assignor's current ownership: 100.00 percent working interest OR
0.00 percent overriding royalty interest
7. Amount to be assigned: 100.00 percent working interest OR
0.00 percent overriding royalty interest
8. Assignor is retaining: 0.00 percent working interest AND/OR
0.00 percent overriding royalty interest
9. **LANDS AFFECTED** by this assignment of interest (attach Exhibit A if necessary)
T 5N, R 11W, Seward Meridian

Section 4: Surveyed, that portion of Lot 10 lying **within** the SWSW, W2SESW, S2NWSW, S2N2NWSW, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6690 feet measured depth [MD] (4871 feet true vertical depth subsea [TVDSS]) and 6945 feet measured depth [MD] (5101 feet true vertical depth subsea [TVDSS]), 7.76 acres.

containing 7.76 acres, more or less.

The Notification Lessee for the purpose of receiving any and all notices from the State of Alaska in connection with the lease will be:

Name Cook Inlet Natural Gas Storage Alaska, LLC
Attn G. Nanette Thompson, Deputy General Counsel
Address P.O. Box 190989
City, State, Zip Anchorage, Alaska 99519-0989 Telephone (907) 334-7662

We, the undersigned, affirm (1) that the information provided on this application is true and correct and that it is filed pursuant to 11 AAC 82.605 and 11 AAC 82.615, and (2) that both parties to this agreement are qualified to transfer or hold an interest in oil and gas leases pursuant to 11 AAC 82.200 and 11 AAC 82.205. Regardless of whether this assignment is approved in whole or in part, the assignee agrees to be bound by the lease including the obligation to dismantle facilities, remove equipment, and restore the lease premises as required by law or agreement (hereinafter DR&R), and the assignor agrees that it remains responsible for all lease and unit obligations accruing before the approval of the assignment, including DR&R.

STATE OF ALASKA, DEPT. OF NATURAL
RESOURCES, DIVISION OF OIL & GAS.
THIS IS TO CERTIFY THAT THE
FOREGOING IS A FULL, TRUE AND
CORRECT COPY OF THE ORIGINAL AS
THE SAME APPEARS IN THE FILES OF MY
OFFICE.

ASSIGNOR:

Authorized Signature

SIGNED

C. Lockhart

TITLE

NPS

DATE

6/16/11

Date

5-27-11

Carri A. Lockhart, President
Name & Title (Print or Type)

Marathon Alaska Production LLC
Corporation/Company Name

UNITED STATES OF AMERICA)

STATE OF Alaska)

) SS.

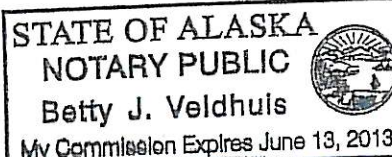
DOG Qualification File # 2363

THIS CERTIFIES that on the 17th day of May, 20 11, before me appeared Carri A. Lockhart, known to me to be the person(s) named as assignor(s) or the assignor's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission expires:

June 17, 2013



ASSIGNEE:

Authorized Signature

M. Colleen Starring

Date

May 31, 2011

M. Colleen Starring, Vice President, CINGSA
Name & Title (Print or Type)

Cook Inlet Natural Gas Storage Alaska, LLC
Corporation/Company Name

UNITED STATES OF AMERICA)

STATE OF Alaska)

) SS.

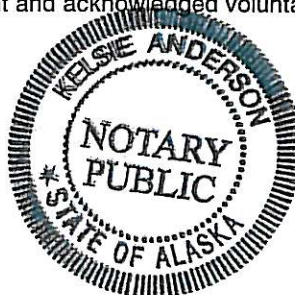
DOG Qualification File # 2386

THIS CERTIFIES that on the 31st day of May, 20 11, before me appeared M. Colleen Starring, known to me to be the person(s) named as assignee(s) or the assignee's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission expires:

4/26/14



APPROVAL

W.C. Barron
W.C. Barron, Director
Division of Oil and Gas, DNR, State of Alaska

August 1, 2011

Effective Date of Assignment

Recorder's Office (optional)

Recording District

After recording, please return to:

Marathon Alaska Production LLC

P. O. Box 196168

Anchorage, AK 99519-6168

Original lease recorded? ☐ Yes ☐ No
Prior document reference:

APPLICATION FOR ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

DNR USE ONLY

Unit: _____
PA: _____
Acct code: _____

1. Lease ADL # 324602
2. Assignor: Marathon Alaska Production LLC
3. Assignor's address: P. O. Box 196168, Anchorage, AK 99519-6168
4. Assignee: Cook Inlet Natural Gas Storage Alaska, LLC
5. Assignee's address: P. O. Box 190989, Anchorage, AK 99519-0989
6. Assignor's current ownership: 100.00 percent working interest OR
0.00 percent overriding royalty interest
7. Amount to be assigned: 100.00 percent working interest OR
0.00 percent overriding royalty interest
8. Assignor is retaining: 0.00 percent working interest AND/OR
0.00 percent overriding royalty interest
9. **LANDS AFFECTED** by this assignment of interest (attach Exhibit A if necessary)
T 5N, R 11W, Seward Meridian

Section 5: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2SE, S2N2SE, E2SESW, SENESW, S2N2NESE, S2NENWSE, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6690 feet measured depth [MD] (4871 feet true vertical depth subsea [TVDSS]) and 6945 feet measured depth [MD] (5101 feet true vertical depth subsea [TVDSS]), 134.75 acres;

Section 8: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, lying **within** the S2, NE, S2NW, NENENW, S2NENW, SENWNW, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6690 feet measured depth [MD] (4871 feet true vertical depth subsea [TVDSS]) and 6945 feet measured depth [MD] (5101 feet true vertical depth subsea [TVDSS]), 176.67 acres.

containing 311.42 acres, more or less.

The Notification Lessee for the purpose of receiving any and all notices from the State of Alaska in connection with the lease will be:

Name Cook Inlet Natural Gas Storage Alaska, LLC

Attn G. Nanette Thompson, Deputy General Counsel

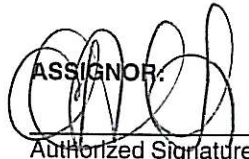
Address P.O. Box 190989

City, State, Zip Anchorage, Alaska 99519-0989 Telephone (907) 334-7662

We, the undersigned, affirm (1) that the information provided on this application is true and correct and that it is filed pursuant to 11 AAC 82.605 and 11 AAC 82.615, and (2) that both parties to this agreement are qualified to transfer or hold an interest in oil and gas leases pursuant to 11 AAC 82.200 and 11 AAC 82.205. Regardless of whether this assignment is approved in whole or in part, the assignee agrees to be bound by the lease including the obligation to dismantle facilities, remove equipment, and restore the lease premises as required by law or agreement (hereinafter DR&R), and the assignor agrees that it remains responsible for all lease and unit obligations accruing before the approval of the assignment, including DR&R.

STATE OF ALASKA, DEPT. OF NATURAL
RESOURCES, DIVISION OF OIL & GAS.
THIS IS TO CERTIFY THAT THE
FOREGOING IS A FULL, TRUE AND
CORRECT COPY OF THE ORIGINAL AS
THE SAME APPEARS IN THE FILES OF MY
OFFICE.

ASSIGNOR:



Authorized Signature

SIGNED

C. A. Lockhart

TITLE

NRS

DATE

6/18/11

Date

5-27-11

Carri A. Lockhart, President
Name & Title (Print or Type)

Marathon Alaska Production LLC
Corporation/Company Name

UNITED STATES OF AMERICA)

STATE OF Alaska)

)SS.

DOG Qualification File # 2363

THIS CERTIFIES that on the 27th day of May, 2011, before me appeared Carri A. Lockhart, known to me to be the person(s) named as assignor(s) or the assignor's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission expires: June 13, 2013

STATE OF ALASKA
NOTARY PUBLIC

Betty J. Veldhuis

My Commission Expires June 13, 2013



ASSIGNEE:

M. Colleen Starring
Authorized Signature

May 31, 2011
Date

M. Colleen Starring, Vice President, CINGSA
Name & Title (Print or Type)

Cook Inlet Natural Gas Storage Alaska, LLC
Corporation/Company Name

UNITED STATES OF AMERICA)

STATE OF Alaska)

)SS.

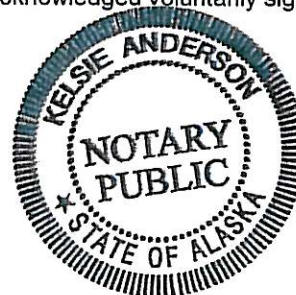
DOG Qualification File # 2386

THIS CERTIFIES that on the 31st day of May, 2011, before me appeared M. Colleen Starring, known to me to be the person(s) named as assignee(s) or the assignee's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Kelsie Anderson

Notary Public

My Commission expires: 4/26/11



APPROVAL



W.C. Barron, Director
Division of Oil and Gas, DNR, State of Alaska

August 1, 2011

Effective Date of Assignment

Recorder's Office (optional)

Recording District

After recording, please return to:
Marathon Alaska Production LLC
P.O. Box 196168
Anchorage, AK 99519-6168

Original lease recorded? ☐ Yes ☐ No
Prior document reference:

APPLICATION FOR ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE
STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

DNR USE ONLY

Unit: _____

PA: _____

Acct code: _____

1. Lease ADL # 359153
2. Assignor: Marathon Alaska Production LLC
3. Assignor's address: P. O. Box 196168, Anchorage, AK 99519-6168
4. Assignee: Cook Inlet Natural Gas Storage Alaska, LLC
5. Assignee's address: P. O. Box 190989, Anchorage, AK 99519-0989
6. Assignor's current ownership: 100.00 percent working interest OR 0.00 percent overriding royalty interest
7. Amount to be assigned: 100.00 percent working interest OR 0.00 percent overriding royalty interest
8. Assignor is retaining: 0.00 percent working interest AND/OR 0.00 percent overriding royalty interest
9. **LANDS AFFECTED** by this assignment of interest (attach Exhibit A if necessary)
T 5N, R 11W, Seward Meridian

Section 4: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property, but excluding Lot 2, U.S. Survey 4563, lying **within** the SWSW, W2SESW, S2NWSW, S2N2NWSW, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6690 feet measured depth [MD] (4871 feet true vertical depth subsea [TVDSS]) and 6945 feet measure depth [MD] (5101 feet true vertical depth subsea [TVDSS]), 61.84 acres;

Section 9: Surveyed, that portion of the Kenai River tide and submerged lands, including all portions thereof surveyed as part of the Kenai Tidelands Survey, Alaska Tidelands Survey, or any other survey of tidelands property lying **within** the W2NW, W2E2NW, N2NWSW, SWNWSW, NWSWSW, vertically limited to the **Cannery Loop Sterling C Pool**, defined as the underground formations comprising the C1 and C2 sands and the correlative buffer geological formation directly adjacent thereto at the equivalent stratigraphic interval, bounded by the base of the B5 coal formation (C1 top) and the top of the Upper Beluga formation (Upper Beluga Top); further vertically defined in the "Pool Type Log" Cannery Loop Unit (CLU) #8 well (API #50-133-20534-00) as the interval between the depths of 6690 feet measured depth [MD] (4871 feet true vertical depth subsea [TVDSS]) and 6945 feet measured depth [MD] (5101 feet true vertical depth subsea [TVDSS]), 98.88 acres.

containing 160.72 acres, more or less.

The Notification Lessee for the purpose of receiving any and all notices from the State of Alaska in connection with the lease will be:

Name Cook Inlet Natural Gas Storage Alaska, LLC

Attn G. Nanette Thompson, Deputy General Counsel

Address P.O. Box 190989

City, State, Zip Anchorage, Alaska 99519-0989 Telephone (907) 334-7662

We, the undersigned, affirm (1) that the information provided on this application is true and correct and that it is filed pursuant to 11 AAC 82.605 and 11 AAC 82.615, and (2) that both parties to this agreement are qualified to transfer or hold an interest in oil and gas leases pursuant to 11 AAC 82.200 and 11 AAC 82.205. Regardless of whether this assignment is approved in whole or in part, the assignee agrees to be bound by the lease including the obligation to dismantle facilities, remove equipment, and restore the lease premises as required by law or agreement (hereinafter DR&R), and the assignor agrees that it remains responsible for all lease and unit obligations accruing before the approval of the assignment, including DR&R.

STATE OF ALASKA, DEPT. OF NATURAL
RESOURCES, DIVISION OF OIL & GAS.
THIS IS TO CERTIFY THAT THE
FOREGOING IS A FULL, TRUE AND
CORRECT COPY OF THE ORIGINAL AS
THE SAME APPEARS IN THE FILES OF MY
OFFICE.

ASSIGNOR:

Authorized Signature

SIGNED

TITLE

DATE

C. A. Lockhart

NRG

6/16/11

5-27-11

Date

Carri A. Lockhart, President
Name & Title (Print or Type)

Marathon Alaska Production LLC
Corporation/Company Name

UNITED STATES OF AMERICA)

STATE OF Alaska)

)SS.

DOG Qualification File # 2363

THIS CERTIFIES that on the 27th day of May, 20 11, before me appeared Carri A. Lockhart, known to me to be the person(s) named as assignor(s) or the assignor's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission expires: June 13, 2013

STATE OF ALASKA
NOTARY PUBLIC

Betty J. Veldhuis

My Commission Expires June 13, 2013

ASSIGNEE:

Authorized Signature

M. Colleen Starring
Name & Title (Print or Type)

Date

May 31, 2011
Cook Inlet Natural Gas Storage Alaska, LLC
Corporation/Company Name

UNITED STATES OF AMERICA)

STATE OF Alaska)

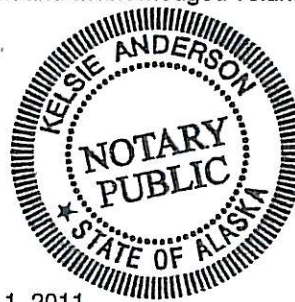
)SS.

DOG Qualification File # 2386

THIS CERTIFIES that on the 31st day of May, 20 11, before me appeared M. Colleen Starring, known to me to be the person(s) named as assignee(s) or the assignee's authorized representative who executed this assignment and acknowledged voluntarily signing it.

Notary Public

My Commission expires: 4/26/14



APPROVAL

W.C. Barron
W.C. Barron, Director
Division of Oil and Gas, DNR, State of Alaska

August 1, 2011

Effective Date of Assignment

Recorder's Office (optional)

Recording District

After recording, please return to:

Marathon Alaska Production LLC

P. O. Box 196168

Anchorage, AK 99519-6168

Original lease recorded? Yes No
Prior document reference: